

# Selecting Your New Home's Location

*Your new house must be somewhere. The question is, where? Use a good map to identify areas you would consider based on distance to work and other family activities. Decide what is acceptable to your family.*

*Take your time in making this decision. Many details about your new home can be remodeled in later years as your lifestyle evolves, but changing the location is not one of them. Does your lifestyle fit best in an urban, suburban, or rural setting? This choice is a matter of lifestyle and attitudes, not a matter of right or wrong. If you are new to the area, you may need to do some exploring. Within the areas you ultimately select, any or all of several types of lots may be available.*

## INDIVIDUAL SITES

Builders refer to an isolated building location as off-site or scattered site. The lot is all in one place, but the builder's work is scattered. Individual sites are not always in the country. An in-fill site, situated among existing homes, can often be found in urban settings. Urban lots usually have all services available. Fees and assessments associated with them can be low if improvements and schools are established. On the other hand, their fees can be significant if area services need repair or replacement. Make no assumptions based on appearances. Follow through with a complete investigation of any site you consider. Individual sites are more appropriate for custom or semi-custom builders whose systems are organized for this style of work.

## SUBDIVISION SITES

A land developer may develop (provide streets and main utility lines) a group of lots and offer them for sale. One or more builders buy the lots and offer their services to build homes on them. In some cases, the developer is also the builder or one of the builders.

If you decide to have your home built in a subdivision, learn who the developer is. Review the quality of the developer's work as carefully as you do your builder's. Look at other subdivisions created by the same firm. Are planned amenities installed as promised? Is traffic controlled adequately? Is the community design appealing? Take note of the entry treatment; you will see it often. Selection of a subdivision site means working with one of the builders operating there. The land and home purchase become a package.

## FINDING YOUR SITE

**Driving Around.** Tour the areas you marked on your map and look for land with "For Sale" signs. Note location, phone number, and enough descriptive detail to help you envision it later. Take note of the surrounding areas. A camera or camcorder can aid your memory.

**Real Estate Agents.** Some real estate agents specialize in land sales. An agent can assist you with your search and handle the paperwork when you make a final choice. Real estate agents use the Multiple Listing Service (MLS) to learn about properties for sale. The MLS computer system stores dozens of details about available lots. The agent inputs your criteria such as size, price, or school system, and the system prints a list of sites that meet those criteria. For-sale-by-owner sites are not in the MLS database.

**Newspaper Ads.** You can discover for-sale-by-owner lots in the classified ads of local newspapers. You may find some terrific sites through this medium, but remember that the newspaper prints what the person who placed the ad dictates. The screening process that is an integral part of listing property with a real estate agent is not involved. As with all potential sites, investigate thoroughly.

**Local Government.** The county planning commission or public library can supply information on zoning, the master plan, and maps. Most communities or counties today have a master plan or a comprehensive plan. The master plan defines the density of subdivisions, size of lots, and setbacks (how far from the edge of the lot to place the home). By reviewing the master plan, you can get an idea of what the future holds for the region and whether the home you want can work on the site you are considering. Keep in mind that zoning is always subject to change. Real estate agents, builders, and subdivision sales staff can tell you what they know as of today. While you are having that conversation, someone may be organizing a campaign to change zoning--and your future view.

## **EVALUATING POTENTIAL SITES**

If a site passed your preliminary screening, take a closer look. Find the property pins. If possible, visit the site at several times of the day and in several types of weather. How would your home be positioned on the site? What about the sun, the view? Drive to and from work in both rush hours. Taking pictures can help you remember what is where, especially if you get to the point that the final choice is among several sites.

Compare the possibilities for the site to your lifestyle. If your family enjoys morning coffee on the deck, outdoor activities such as gardening, children's games, or sunbathing, will this site adapt to those activities? Will car headlights shine into bedroom windows? Street lights? What is the speed limit on the street and how much traffic is there? If you are considering a subdivision site, which models, elevations, and colors would surround your home? Subdivisions usually open in phases. You may find you have to wait for the next phase to open to get your ideal lot.

Use the checklist in this brochure to evaluate and compare sites. A few comments about some items listed will make it more useful to you.

**Costs.** Double-check all numbers, including property taxes, assessments, and homeowners association fees, to confirm the lot cost will work with your budget. Exceptions are easy to find, but a traditional guideline is that cost of the finished lot (with utilities available at the site) should run about 20-25 percent of the total package, house and land.

**Utilities.** When comparing custom sites, check the status and cost of utility hook-ups or tap fees. Raw land may not have utilities nearby. If utility services must still be extended to the site,

obtain information on the cost. Besides their costs, what is the lead time for approval and installation of services? You cannot build a house without arranging for these services.

**Impact Fees.** An impact fee is a charge for the impact your new home and family will have on infrastructure (roads and community services). These fees are significant in some parts of the country. Your house plan built on one site can carry impact fees of \$0 and on another, \$35,000 or more.

**Premiums.** Be realistic about view lots and the premiums charged for them. What is the likelihood that the view will be preserved?

**Legal Status.** "Covenant-protected" refers to the restrictions placed on the residents and homes in a community by a homeowners association. A typical example of one such restriction means neighbors cannot paint their home purple with chartreuse shutters and a red polka-dot door. Of course, neither can you. Review the documents of any homeowners association carefully for requirements and restrictions. Associations do enforce covenants and they usually win in court.

**Survey.** Working with your builder, check the site survey. Will the house you want to build fit in the lot? Is the lot appropriate for the style you have in mind? If you have not completed your house plans, information about the lot may affect design decisions. Slope of the lot can significantly affect the cost of the foundation, driveway, and landscaping. Will you be able to add on to the home in the future? Your builder or architect can help you analyze the site and make all these determinations.

**Construction Factors.** Physical conditions should support the design of the home. The most appealing results come when the home design blends into the site. Extensive grading may be physically possible but is expensive. Within a subdivision, the effect on neighboring lots can limit grade changes. Your builder or architect can help identify concerns. Consider other natural conditions such as wetlands, wildlife, rocks, ground water, and trees.

Additional details to remember include the following:

>Even if you do not have children, remember that schools can affect resale value.

>Depending on traditions or local regulations, adjacent sites may drain across your property and your property may in turn pass water along to another neighbor. Drainage easements do not always follow property lines.

>Utility companies install junction boxes above ground. Neither you nor your builder can control where the utility companies place these boxes.

>Similarly, the post office dictates the style and location of mailboxes for the area.

>If having sidewalks is important to you, check on this detail before making a commitment.

**Hazards.** Some criticism is possible for every site. A negative factor should not automatically eliminate it from consideration, but do be aware of possible extra costs and avoid surprises. Many desirable areas come with natural hazards such as hurricanes, tornadoes, floods, earthquakes, or challenging winter driving conditions.

## **BUYING THE LAND**

Buying the land is like buying anything else except it's impossible to move. Usually if you are working with a builder in an established subdivision, one contract covers your purchase of the lot and the home. If you select an individual site and intend to work with a custom builder, you will probably purchase the lot using a separate contract.

You can pay cash for your lot or you can finance it. Once a lender has prequalified you, you are in a better position to make decisions about how much of your resources you want to commit to a land purchase. The same entities that offer loans for homes will typically offer loans for land purchase. Keep in mind that this creates a monthly liability on your financial statement that may affect your construction and mortgage loan qualification. Making the land purchase contract contingent upon your approval for construction financing is a good idea in some cases.

When purchasing a lot, use a written contract that specifies the location, includes a survey, and describes the exact terms of payment. A title search should be performed and title insurance purchased. Either way, you are one step closer to building that new home.

## **BUILDING SITE CHECKLIST**

### **Cost**

- >Lot price
- >Property taxes
- >Utility hook-ups

### **Legal Status**

- >Zoning (subject to change)
- >Building department
- >Homeowners association
  - >Covenants
  - >Design review
- >Owner
- >Owner's agent
- >Title

### **Survey**

- >Size
- >Boundaries, property corners
- >Easements
- >Setbacks
- >Square footage requirements
- >Height restrictions
- >Orientation

### **Fees**

- >Permit
- >Homeowners association deposits or fees
- >Water tap fee or well cost
- >Sewer tap fee or septic cost
- >Electric hook-up

- >Gas hook-up
- >Phone hook-up
- >Cable TV or satellite service

### **Unique Construction Factors**

- >Access
- >Foundation required for soil conditions
- >Site preparation (trees, rocks, groundwater)
- >Special grading concerns
- >Seasonal weather impact on schedule
- >Ecological concerns
- >Adjacent sites
  - >Drainage
  - >View
  - >Present or future development

### **Hazards or Negative Concerns**

- >Flood plain
- >Weather
- >Seismic zones
- >Crime rate
- >Pollution

### **Services**

- >Government
  - >Post office and mail delivery
  - >Police and fire protection
  - >Road maintenance and snow removal
- >Trash collection
- >Transportation
- >Schools
- >Cultural amenities
- >Medical services
- >Banking, business opportunities
- >Places of worship
- >Recreation



